

ADULT RESIDENTIAL - ASSISTED LIVING

MEDICAID HOME AND COMMUNITY BASED SERVICES (HCBS) WAIVER



Assisted Living Facilities. There are about 200 licensed assisted living facilities (ALFs) in Montana, serving elderly and disabled individuals who need assistance and are unable to stay in their own homes. Assisted living clients typically don't require the more medically complex services offered in nursing homes. Some ALFs offer specialized services for those with Alzheimer's Disease and Related Dementias in memory care units.

Medicaid Waiver

Most individuals in assisted living facilities pay for their own care. However, assisted living facilities serve about 700 clients under the Medicaid HCBS waiver program. DPHHS and the legislature have stressed the importance of serving individuals in settings other than nursing homes through the home and community based waiver program - when the more intense services of a nursing home are not required. These services are well-liked by clients and are cost effective.

However, low Medicaid reimbursement and insufficient HCBS slots result in these services not being available to those who would benefit from them. Nearly half of the people on the waiting list for HCBS and most of those who move to community based settings through the nursing home transition program need assisted living services.

Access Issues

Low Medicaid rates. There is a serious access problem for those seeking assisted living under the waiver due largely to low Medicaid reimbursement. Nearly 50% of all providers do not serve Medicaid clients. About 75% of those who do accept Medicaid limit the number of clients they are willing to serve. Many limit participation to a very small number. Today's rates are about 8% higher than they were on July 1, 2008!

Need for waiver slots to address waiting list. In addition to low reimbursement, insufficient HCBS slots add to the access problems. According to DPHHS, the wait lists for both adult residential and basic slots under the waiver have been reduced. However, we have some concern that part of the reduction represents a change in the way the wait lists are prepared rather than an actual decline in individuals waiting. Even if the reduced numbers are accurate, about 300 people are on wait lists and the average time they wait for services is increasing.

Because of lack of access to assisted living under the waiver, elderly Montanans needing assisted living services are being told there are no slots available and nursing home placement is the most likely alternative. We believe those needing assisted living are not being given the choice they are supposed to have under the terms of the approved waiver—and the state is not benefitting from having this cost effective alternative available for those who can use it.

If the legislature and DPHHS are interested in assuring access to assisted living services for the elderly, two things must happen:

- ♦ Waiver slots must be increased to accommodate the numbers of individuals who need this service.
- ♦ Changes must be made to the reimbursement rates paid to those who provide the services to be more in line with what those who pay privately pay and to take into account the care needs of the individuals being served, including those who need specialized memory care.

Legislative Proposals

In the 2017 regular session, we supported HB 17 sponsored by Rep. Ron Ehli by request of the Children, Families, Health, and Human Services Interim Committee. The legislation appropriated money to DPHHS to increase service slots and improve reimbursement rates for assisted living under the Medicaid home and community based services waiver for elderly and physically disabled individuals. It included special rates for memory care. HB 17 passed the legislature overwhelmingly and was signed into law by the Governor. However, HB 17 was part of the cuts included in SB 261, so when FY 17 revenues dropped below the stated levels, the appropriations were removed, leaving the “policy” of HB17 in statute with the hope it would be funded later or at least be part of the Governor’s proposed budget for the upcoming biennium. However, none of the good work done by the interim committee and the 2017 legislature in HB 17 has been implemented.

MHCA brought a proposal to the 2019 session to fully fund the objectives of HB 17 from the 2017 session. HB 724 passed out of the House Human Services Committee 19-0 and passed second reading 89-10. Unfortunately, it died in House Appropriations after being tabled.

Recommendations and Considerations

- *Reimbursement rates*
- *Memory care rates*
- *Room and board allowance*
- *Assessment system*
- *Workforce shortage/DCW*
- *CFC potential 6% enhanced federal match*
- *SS increases and client payments*
- *Health care for health care workers*

Continued failure to address access problems in assisted living under the waiver will mean that seniors on Medicaid who need this service will simply find it is not available and nursing home placement of individuals who could be served in a less intensive health care setting will increase. This is unfortunate, because our goal should always be to allow each individual to choose the setting and services that are most appropriate for them given their individual needs and situation, and to assure that the most cost effective alternatives are available.

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